



H.R. 3703– To amend section 5112(p)(1)(A) of title 31, United States Code, to allow an exception from the \$1 coin dispensing capability requirement for certain vending machines

FLOOR SITUATION

H.R. 3703 is being considered on the floor under suspension of the rules and will require a two-thirds majority vote for passage. This legislation was introduced by Representative David Scott (D-GA) on September 27, 2007. The bill and was referred to the Committee on Financial Services and was ordered to be reported by voice vote.

H.R. 3703 is expected to be considered on the floor of the House on November 13, 2007.

SUMMARY

H.R. 3703 amends title 31 of the U.S. Code (this title allows the Secretary of the Treasury to issue coins) to change the requirement that vending machines dispense \$1 dollar coins, if those machines do not accept currency of over a dollar.

** Note - Under current law, vending machines located on federal property and those used by transit systems that receive federal funds must accept and dispense \$1 coins by January 2008. The legislation would exempt vending machines from the requirement to dispense \$1 coins if such machines do not receive currency denominations higher than \$1.*

BACKGROUND

S. 1228 the, "50 States Commemorative Coin Program Act" was sponsored by Senator Lincoln Chafee (R-RI) and was signed into law on December 1, 1997 (PL 105-124). This legislation established the 50 States coin program and also changed the \$1 coin to be golden in color. The concern at the time was that the previous \$1 coins looked and felt too much like a quarter and were not being used by the public.

The legislation did not specify what was to be featured on the coin so the treasury held a contest for the new design and it was decided that Sacagawea would be the "head" of the coin and an eagle would be the "tails".

Part of this legislation mandated that the government begin a marketing campaign to raise public awareness about the new "Golden Dollar". The legislation also required public

transit systems, vending machines on government property, and other agencies that were federally subsidized, to begin retrofitting their machines to accept the new dollar coin, and dispense the new dollar as change if necessary.

This legislation removes that requirement for machines that do not accept currency over a dollar, or that do not dispense change over a dollar.

COST

According to the Congressional budget Office (CBO) estimates “this legislation would have no significant impact on the federal budget. Enacting the bill would not affect direct spending or revenues.”

STAFF CONTACT

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